

# **Customer insights for the new product development: Posti palvelut Oy**

Andrey Gorbachev, Vadim Vinogradov



<b>Author(s)</b> Andrey Gorbachev, Vadim Vinogradov	
<b>Degree programme</b> International business in sales and marketing	
<b>Report/thesis title</b> Customer insights for the new product development: Posti Palvelut Oy	<b>Number of pages and appendix pages</b> <b>50 + 16</b>
<p>The thesis addresses the topic of the new product development based on the customer-oriented approach and covers the following issues such as product development stages, customer centricity, external communication between an organization and its customers and the factors influencing customer behaviour and values.</p> <p>The primary goal was to suggest the products to Posti Oy suitable for their customers accordingly to their feedback and core values. Furthermore, to provide Posti Oy with strategies aimed to increase the customer-orientation level to get more insights for the new products and services.</p> <p>The actual problems of given research are to explore the existing communication practises used by Posti Oy in B2C sector and to determine strengths and weaknesses for the further improvement of product and service quality.</p> <p>The fundamentals of the theoretical background are organizational communication theories, cultural and ethical aspects of communication, changes caused by internationalization, customer-centric organization theories, etc.</p> <p>The methods chosen to obtain quantitative and qualitative data are Webropol survey conducted among Haaga-Helia students and personal interviews with the customers of postal services.</p> <p>The research results show that even though Posti Oy and its competitors use a lot of innovative solutions in their products and services, the central role shall be given not to the solution or technology itself, but rather to the way it is used to satisfy the demands of target customer groups. Therefore, organizations should pay attention to build the strong public relations during the product-development stages through beta-testing and focus groups. In the contemporary situation, characterized by the increasing competition levels, it is harder to preserve the originality of a product or service for a long period, and, thus, its convenience and quality come to the first place.</p> <p>The findings and suggestions of actual research can be implemented and furtherly developed for the analysis of changing customer behaviour and strengthening of customer loyalty as well as for the creation and testing of the new product ideas.</p>	
<b>Keywords</b> Posti, customer-oriented, public relations, product development, customer centricity, external communication	

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# 1 Introduction

In a contemporary business environment, the on-going improvement of external communication between companies and their customers (B2C) becomes a crucial factor because of the increasing competition on trade markets and raise of the customers' expectations for the quality of services and goods. The topic of actual research concerns the external organizational communication between Posti Palvelut Oy and its customers and their insights for the new product development. Based on the Posti's case study the research shows how internal and external organizational communication are interconnected and how they influence each other. It also suggests the steps for improvement of the communication between a company and its clients and potential customers as well as the models for the new products grounded on the customer insights.

The actuality of the research is due to the existing situation in the field of newspaper and parcel delivery in Finland, as the leading carrier, Posti Palvelut Oy experiences the severe reduction of newspaper subscriptions in Metropolitan area, leading to the shortening of its functions, raising of operating costs and massive dismissal of employees. Therefore, it is vital to create the ways and product solutions that will enable to strengthen the relationship between the organization and its clients and attract more potential customers.

## Research aim:

The main purpose of the research is to suggest the product models that are grounded on the customer feedback and reflect their values and demands.

## The research problems are:

To observe the existing communication practices of Posti's in B2C and internal scope;  
To determine the weaknesses and strengthens of communication methods used by Posti;  
To explore the customer centricity, product development and other theories and implement them to the actual situation of Posti's;  
To create marketing models helping to improve the communication and attract the new customers.

## Research question:

How the customer insights influence the product development process and affect the company's performance?

To achieve the research aim, and answer the research question it is necessary to familiarize with the theoretical material from monographs, study books as well as scientific and academic articles from Haaga-Helia database, Google Scholar and other resources related to design, product development and organizational communication. Besides that, it is

crucial to pay attention to Posti's annual reports, containing statistics and data about upcoming organizational changes.

The public opinion data collected through Webropol survey and by personal interviewing complements the analysis of theories and leads to the better understanding of the ways to design a product in-demand and improve the customer orientation.

## **2 Background**

This chapter presents basic information for the research. To get the understanding about the aims, purposes, and methods used in the actual research project, the reader shall familiarize himself/herself with the ordinary facts about Haaga-Helia Institution. Also, it is vital to become aware of the existing situation of Posti Palvelut Oy organization as well as their blueprints for the fast and productive development of services and products in the future. Finally, this section includes relevant information which helps readers to understand completely what Posti's position is on Finnish and international markets.

### **2.1 Information about Haaga-Helia University OF Applied Sciences**

Haaga-Helia University of Applied Sciences is a modern institution with contemporary technology and resources to provide education for degree programmes such as International Business including Business Administration, Aviation Business, Sales and Marketing, Tourism, Restaurant and Hospitality, and It-Technology. The university has three campuses in a metropolitan area with the headquarters located in Pasila, Helsinki. Also, there is another one focusing on Sport and Wellness located in Vierumäki and the newest campus in Porvoo. Despite different locations, all the branches of Haaga-Helia University of Applied sciences have MyNet system, enabling students to access the library resources, online courses and find a work placement in Finland and abroad.

Each degree programme includes a mandatory set of subjects the students must complete to collect credits and be able to choose the specialization field and according to elective and free choice courses.

Research activities at Haaga-Helia University of Applied Sciences aimed at introduction of the new real-life projects which can be considered and implemented for the improvement of an existing situation in the business environment. Thereby, the students of Haaga-Helia have opportunities to participate in working at globe's prominent organizations, both private and governmental. The diploma of this institution is quite valuable regarding the latest information that the Finnish higher education corresponds to the highest standards, and currently, it is on the first place among the world's universities of applied sciences (BBC: Finnish higher education standard among world's best, 2016).

During the education process, students have a variety of projects, where they participate in improvement, marketing, advertising and creation of the new services and products for small-scale organizations, start-ups as well as for the massive global organizations. Students perform different research activities such as interviews, benchmarking, online sur-

veys, and meetings with managers or even directors to get a better understanding about the organizational needs for future improvement. The teachers of the institution aim to motivate students to become the experienced professionals in their field, giving them the insights about the various methods of strategic business analysis models such as SWOT, PEST, STEEP and STEEPLE, marketing tips, which can be implemented in modern changing business environment and information about the legal rules and regulations in the fields of trade and service arrangement domestically and abroad (for example, INCO-TERMS, EU Laws and Directives on companies, competition and entrepreneurship in general). After the introduction and group discussions, the students perform the practical tasks to exercise their understanding and implement the knowledge about the given topics and subjects. They present an actual analysis on companies and situations and make the presentations for commissioners and large audiences of peer students as well as for the general public and guest visitors from other Finnish and foreign institutions. Besides that, a practical study approach in Haaga-Helia includes debates on various business-related topics, self-presentations, and arrangements on how to use the modern technological platforms such as LinkedIn, Facebook, Instagram, WhatsApp, SnapChat, etc. for marketing and advertising purposes as well as for self-promotion.

The educational process also includes the meetings with the company representatives, and organization of events, business meetings, and study trips. The board and teachers of Haaga-Helia UAS invite the business professionals and speakers to present the information on various topics such as their activities and products, motivation, self-discipline, etc. The students participate in workshops and interact with those business people during the discussions and practical tasks. The students organize the meetings with companies and their representatives, workshops, events as well as business trips and travels to domestic cities and foreign destinations to strengthen organizational and networking skills. To make those activities more complex and real-life related, the students have to think about the ways to fund their trips and arrangements and implement those ideas in practice. So far, the groups of Haaga-Helia students have travelled to various destinations inside and outside the EU and met professionals and company directors from the different parts of the world. A lot of events taking place in Haaga-Helia have been organized solely and with the help of students as well. The most significant events include DuuniTehdas, which is a meeting point for students, graduates and general public with potential employers and DigiDay, which takes place in Haaga-Helia Porvoo Campus for the last three years and directed at the broadening of knowledge on digitalization, contemporary technologies and applications and the way they affect business environment and everyday life. Haaga-Helia UAS continually builds partnerships with foreign higher education institutions in EU, US, Mexico, Canada, Russia, China, etc. and, therefore, students have an oppor-

tunity not only to travel abroad but also to take the exchange term in a foreign university and expand their international links as well as experience life in a different cultural society. The learning outcomes help to broaden the views and thinking and learn about the international business, economic, political and social norms and developments abroad.

With the help of another practical arrangement, which is a compulsory six-month work placement students gain the real-life working experience in the field of their studies, performing tasks for company's departments and meeting the insights for the future perspectives. One more point achieved by means of work placement is to consolidate and improve the knowledge gained throughout the previous project participation and theoretical studies. Additionally, the students learn the business etiquette and foreign cultures, especially if the work placement takes place abroad or a company they working for participates in the international business activities. The chances of the future employment increases as the students can show their potential to business professionals and implement their previous knowledge and skills in practice.

To sum up, Haaga-Helia UAS combines the theoretical studies with the practical training. The students get both traditional education and experience working in groups and companies in the real-life projects and situations, which is a benefit to their knowledge about the business world, entrepreneurial activities and networking. The studies and additional activities organized by Haaga-Helia and its students help them to become a professional in the study field as well as gain the motivation and insights for the future careers.

## **2.2 Information about Posti Palvelut Oy**

Posti Group Corporation (previously Itella Oy from 2007-2015) is the leading Finnish postal service provider, delivering letters and parcels and arranging other postal services throughout Finland as well as operating in ten foreign countries. Within Finland Posti's services are used in all the municipalities, except for Åland Islands, where Åland Post works as an independent postal operator.

The Posti's headquarter is located in North-Pasila, which is a borough of Helsinki and the company employs twenty-two thousand workers. Posti Group is an entirely governmental entity, remaining its sole shareholder. This organisation has a universal service obligation that entails weekday deliveries of parcels and letters as well as advertisements in all municipalities of Finland (POSTI GROUP, 2016).



The company's vision is to be the main customer's choice in the fields of postal services, logistics, and e-commerce. The mission is to manage the stream of commerce and everyday life efficiently. The core values are to be the customer-oriented organization, responsibly threatening its business and bringing the innovations for its customers to benefit on the everyday basis.

Posti Group has recently made several changes in their corporate structure to adjust their strategy to the core values listed above. The organization in its actual form is divided into four business departments, such as Postal Services, Parcel and Logistics Services, Itella Russia and OpusCapita. Each department has its own set of tasks and activities, but all of the structural units are united by the same idea of quality and efficient operations and services, leading to customer satisfaction and loyalty. The focus on returning customers, both individuals and business ones becomes more critical in the last few years for the Posti Group as the number of newspaper subscriptions decreases gradually and level of competition in logistics and parcel delivery sectors increases due to the expansion of sizeable international courier companies such as, for example, DHL and PostNord to the Finnish market. Besides that, the recognition of the new trends and customer demand in the existing and emerging markets leads to the necessity of the new services development and promotion for Posti to stay the customer-oriented and modern innovative organization.

The OpusCapita department is working on the development of the automated robotic services and software solutions, based on the newest technologies such as BlockChain and IoT (Internet of Things) for invoicing and sorting of orders and goods at the warehouses and the different stages of a delivery process. In January 2016 the OpusCapita system solutions have been sold to the BaltCap Corporation, to be implemented in the local markets of Baltic Countries. However, the system is still in the process of ongoing improvement, and more opportunities to apply it, can be found among the large organizations internationally. The drawback is the cost of the software licenses needed for the constant improvement of this technological solutions and the long-term character of the project overall. It requires a lot of financial decisions, considerations and the negotiations with the foreign leading developers. Taking this fact into account, the theoretical research conducted in this thesis work and the solutions proposed to Post Group on the base of it are of more cost-efficient nature that allows to implement it in the shorter periods of time.

Another factor to assess the current market position of Posti Group is the international cooperation, especially with another large postal and warehousing companies. Posti's key customer sectors are commerce, services, and media with ninety-six percent of the net sales generated from businesses and organizations. The company has partnerships and

operations in ten countries, which are Latvia, Lithuania, Norway, Poland, Sweden, Germany, Finland, Denmark, Estonia, and Russia. (Posti is Finland's most frequently used and most widely recommended parcel delivery company, 2014).

The challenge of growing the business in European countries is due to the fact, that there is a lot of already established and operating postal and courier delivery companies, that have started to originate and improve their service level and brand recognition from the very foundation of European Union and as a consequence-free movement of goods and services across the borders of Member States.

Recently due to the political and economic reasons there are some challenges in providing services for Russian companies and clients as well, as the cost of doing business increases and the process itself becomes more complex due to the importation problems as more accompanying documents, declarations and certificates are needed to be obtained in order for large international freight and shipments to enter the country and undergone the procedure of customs clearance. Itella Russia has started to operate from 1996, mainly in the field of warehousing and freight services. Currently, it arranges services in seven Russian cities with the central economic regions in St. Petersburg and Vladivostok. The customer segment includes businesses in automotive and consumer electronics industries as well as pharmaceutical companies and fashion businesses.

The company has been growing the number of parcels delivered, and the delivery finishes either by the door of a customers' or local grocery stores such as; Valintotalo, Siwa, K-Ryhmä's shops and postal offices. One more thing Posti uses to facilitate a pick-up process is Posti pakettiautomatti which is located at S-Ryhmä's shops, so it is very convenient to complete two tasks at a time, shopping and parcels picking up.

In addition, this Finnish company delivers newspapers at night named Östnyland, LoviisanSanomat, Kauppalehti, SipoonSanomat, HBL, Uusimaa, Keski-Uusimaa and different others according to the spot in Finland and the most famous newspaper named Helsingin Sanomat which has been operating since 1889 with the name given Päivälehti when Finland was a grand duchy under the Tsar of Russia and brings fresh news to the Finnish citizens every single morning.

### **2.3 Other relevant information**

The arrangement of services remains the central activity Posti executes since the moment of its foundation, and there are a lot of service outlets in the nationwide network, dealing

with correspondence, letters, and parcels, 27 percent of which are also originate from abroad. Results of the survey conducted by Posti in 2014 show, that “the company delivers some 75 percent of all parcels received by consumers” (Posti is Finland's most frequently used and most widely recommended parcel delivery company, 2014).

Under the Posti Group Corporation Interim Report from October 31th, 2016 “Posti’s domestic freight grew by 8%, parcel volumes grew by 2%, and the number of addressed letters declined by 9%” (Posti Group Corporation, 2016). Therefore, Posti continues to increase its presence on the market of parcel and freight delivery. The ground for increased letter services is Internet takeover. The newspaper delivery also proceeds to decline gradually as electronic subscriptions for mobile devices and computers continue to gain the popularity among the younger segment of customers.

It is important to underline, that Posti continues to expand and invest in the set of new activities, such as, for example, the food logistics. Posti acquired Veine, a company that specializes in temperature-regulated delivery services to offer the domestic food logistics solutions. Besides that, Posti is planning to acquire some other food companies to strengthen its positions in this market.

Regarding international activities of Posti, it is necessary to mention, that company attempts to expand to the other regions such as Russia and the Baltic States. For example, in March 2016 “Itella Russia acquired the Russian courier company MaxiPost” (Posti Group Corporation, 2016). However, at the same time, Posti has terminated the operation of two warehouses in Russia as there are a lot of competitors on the market of delivery services there. Posti does not get enough recognition among other courier companies such as DHL, EMS, FedEx, Russian Express Post, etc. Also, Posti has sold its businesses in the Baltic countries to BaltCap in January. Therefore, international operations of Posti in Russia and Baltic Region cannot be considered stable and prosperous.

Posti proceeds its cooperation with the big Chinese companies such as China Post and Alibaba concerning international parcel delivery. However, in China Mainland and Hong Kong regions there is a strong presence of international shipping and freight companies such as DHL, Swiss Post, PostNL, FedEx, EMS, etc., offering the similar services, which makes it quite hard for Posti to enter the market and increase the number of operations for both Chinese and international businesses as well as for individual customers locally or from abroad.

To sum up, the quantity of Posti's competitors in the mail and parcel delivery niche grew up drastically within the last few years. The quality of services remains on the high level, with quick processing of shipment, and for the affordable prices. The fact that Posti competes on global markets, offering logistics for the international shipments has a positive effect on its representation as a large-scale company, however, it keeps the leading position on the national market only. It has a lot of resources and a secure network nationwide to arrange the transportation of parcels through pick up points and warehouses, and, therefore, remains the main carrier arranging the delivery and shipping of packages throughout Finland.

### 3 Theory

A lot of companies these days are looking for the customer insights to improve their brand performance, generate more sales and get more returning clients. The way a company organizes the communication with its customers and deals with the customer data, can either contribute to its business success or lead to its failure. When a company collects and analyses the customer data and feedback about its products and services, it can make a lot of mistakes, if the process of organizational communication and data analysis is incomplete or done superficially. Firstly, the company may be looking for a wrong type of data, and secondly, the poorly-organized process of data gathering may distort the information, leading to the wrong results after the analysis completion.

The new product and service development not only requires a thorough consideration of economic factors, market position, segmentation, and competitive situation but also to the large extent relies on the understanding of customer behaviour and ability to capture and bring the values and priorities of clients and potential customers into the new product. The adequately organized internal communication between company's departments, while processing the data and external contact with its customers is one of the keys in creating a high-demand product and winning the customer loyalty as well as influence the buying patterns.

In the contemporary fast-changing world, influenced by such processes as internationalization and globalization, the cultures become mixed and as a result more diversified, adopting the new habits, ideas, and norms from one another. Researchers, developers and marketers should take this fact into account, while creating a product or a service and promoting it. Therefore, the communication between a company and the outside world should be handled in such a manner that allows capturing the moods and trends existing within a specified period in a defined geographical area or among a particular group, and quickly implement them into its product or service strategy.

Thereby, in the theoretical part of the actual research, the main role is given to the review and analysis of internal and external organizational communication theories as well as to the public relations and customer centricity concept as the ways to collect the customer insights and create a successful product or service based on the customer-oriented approach. The understanding of product development process, theoretical findings and real-life examples surrounding it, helps to identify the values, strategic decisions, and approaches that companies can take into consideration to come up with the weighted and balanced product concept.

### 3.1 Product and services development theories

The product development is a complicated process based on a variety of factors, affecting decision-making at different organizational levels. It starts with the set of so-called “pre-development activities” such as creation and verification of a product concept and continues with testing and launching a new product or service.

According to the combination of Kotler’s and Booz et al.’s (BAH) models (Kotler, 2000, p. 307) the product development process consists of the following stages:

- *New product strategy development;*
- *Idea generation;*
- *Idea screening;*
- *Concept development and testing;*
- *Marketing strategy;*
- *Business analysis;*
- *Technical development;*
- *Testing;*
- *Commercialization – launching.*

Each stage of the product development has its own goal to achieve and tasks to accomplish. For example, the initial stage of this process (pre-development activities) is aimed at the understanding of the usefulness, value and, actuality of the idea that a company plans to develop. The main tasks are to review the correspondence of this idea to the customer demands and plan the resource management.

The process of product development starts from the ideation phase. The company considers the ideas that are closely related to its strategic objectives. Researchers divide those into two categories, which are externally driven and internally driven by strategic goals. The first group includes such objectives as “defending market share position, establishing foothold on the new market, pre-empting market segment”, while internally driven strategic objectives are defined as: “maintaining position as a product innovator, exploiting technology in a new way, capitalizing on distribution strengths, providing a “cash generator”, using excess or off-season capacity” (Avlonitis & Papastathopoulou, 2006, p. 102).

When there is an open niche on a market with the relatively low level of competition, the company sees an opportunity in becoming an innovator by filling this niche with its product or service, while competitors have not yet started offering and promoting similar solutions, fulfilling the needs of potential customers. The chances of becoming the market leader are higher in this kind of situation, especially if the company has comparable resources to

promote its products and services, so that they can get a quick recognition among the interested public. A lot of companies are looking for such market opportunities, and many are even able to find them and start to conduct the successful business until the companies with more prominent resources begin to see the potential in the idea and come to the same market. Only the small amount of break-through companies stay afloat over the passage of time and keep their “innovator” status, remaining the market leaders in their niche. What distinguishes them from the other enterprises that fail to maintain their position, when the first hints of competition start? The question becomes even more intriguing, because most of the companies compete on already highly-saturated markets, but some of them show the better results and get more recognition, even though they have begun with approximately equal amount of resources.

This question has arisen not to devalue the significance of money and labor resources. If a company has enough work power and money investments, it has a greater potential to develop a better quality product and organize a better service with more reasonable offering price, than competitors, but still, even many big companies fail sometimes while presenting the new products and services to the public.

Therefore, it is necessary to take a look at the strategies of market leaders that were able to create the world-famous brands, staying afloat for decades and even centuries. For example, world-renowned German automobile manufacturer BMW has been known as an innovator in car industry almost since the moment of its foundation in 1916. The company aims to embed innovative objectives into their strategy. Those objectives include such points as: “Firstly, have more than one unique selling position (USP) in each of the cars being launched, regardless of the model series. Secondly, complete as many break-through innovations as possible in the market preparation stage. Thirdly, develop concept cars to convey the brand image at motor shows” (Siedel et al., 2003). Thus, BMW strives to be a leader in innovative car solutions and include some unique features in each of their products. Indeed, BMW is a large international brand with worldwide recognition, so they have a significant amount of resources they can rely on while developing new products, and, therefore, negotiations at different organizational levels as well as contacts with suppliers and partners made quickly and efficiently. Nevertheless, by taking a look at BMW’s innovative objectives, it is not very difficult to identify, that this company bases its vision and values on the innovative approach, which defines them as a brand with longevity and personal touch.

Thus, their attitude to the research and decision-making bases on the vision of being the innovator that also finds a reflection in strategic planning and resource management. Therefore, company's vision and approach is among one of the factors, which defines successful launch of a product or service.

Does Posti have a strong vision that defines it and makes this organization stand out from other delivery companies and postal carriers? According to the Posti Group Strategy 2018-2020 Report (Posti, 2018) its current position focused on the renewal of service culture, that is going to turn it into the customer-oriented company by the year 2020. Posti wants to become the customer's first choice among other carriers and postal service providers, but, does its vision find a reflection in company's objectives and strategy?

In recent years, the company has gotten the implication for digitalization of their services to automate the delivery process and other postal services and as a result to provide the added value to its customers. Posti invents a lot of digital solutions, to name a few: real-time track & trace, change on-the-fly, NetPosti and SmartPost networks, and as a company claims itself, their goals correspond to the actual digitalization trend and result in the higher processing and delivery speed, reduced costs and improved security of the customer personal data. However, the digital solutions invented by Posti does not make it stand out among the competitors as the first customers' choice. The reason for this judgement is due to the fact that competing companies are also following the similar innovation strategies and have also developed and implemented new technologies and solutions.

For example, accordingly to the report on digitalization in the supply chain commissioned by DHL big data analytics has been ranked as the most essential company's informational solution, outpacing the cloud-based applications and being followed by the Internet of Things (IoT) and BlockChain. (Harrington, 2017). Posti's OpusCapita department is also utilizing IoT and BlockChain technologies in their automated solutions and software systems and thus, the use of newer technologies itself, cannot be regarded as a factor leading to customer satisfaction, because there is a lot of companies already doing it. The product's success and longevity somewhat depend on how the technology is implemented and whether it captures customers' wishes. In other words, the strategy of many contemporary organizations contain the idea of bringing the innovative products and services, and therefore, the quality, usefulness and applicability of the product or service itself come to the first place.



After the strategy is thought out and prepared, the stage of idea generation starts. The idea for a new product or service can originate from a variety of sources, both internal and external. Internally, it comes from the company departments. For example, ideas for the technological solutions may come from R&D specialists or top managers that know company's strengths and weaknesses. Notwithstanding, it does not mean that ideas from external sources cannot be of externally driven nature. For instance, quite recently they come from sales departments and customer service, interacting with customers on a daily basis.

A lot of companies rely on their external sources to come up with the ideas for new products and services. For example, 3M Corp. is one of the companies known for involving its employees in the development of new ideas. The company allows its employees, both marketing and technical, to spend up to 15 percent of their work time working on the ideas for the new products and improvement of the existing solutions. Royal Dutch Shell's Exploration and Production division went further and established an "internal venture" board to review new ideas and business plans created by division employees (Avlonitis & Papastathopoulou, 2006).

Thus, internally, ideas originate within a company itself and they can base on customer feedback, own analysis, observations and suggestions of employees. On the contrary, externally, ideas may come from customers, competitors or chain members, for example, industrial distributors. The importance of customer involvement in the idea generation process was highlighted in a majority of studies (Von Hippel 1978, 1986; Cooper and Kleinschmidt 1986; Sanchez and Elola 1991; Alam 2002)

Eric Von Hippel has developed the "customer active paradigm" (CAP) which underlines the role of industrial customers as a source of new product ideas, especially, in the scientific instrument industry, software development and medical products. In this paradigm, the would-be customer develops the idea for a new product and selects a supplier capable of making it. The role of the manufacturer is to select the most promising ideas from a potential customer's representation. After the production cycle, the product is given for testing to so-called "lead users" – the first users, who will determine the possible flaws and points that can be improved.

The method explained in customer' active paradigm, also known as "beta-testing" has received recognition and is widely used in gaming industry. Gaming companies quite frequently give the prototypes of newly developed games, better known as alpha and beta versions for testing activities, performed by the potential consumers. It allows to check

usability, quality and performance as well as to detect possible bugs to fix in the final product. Moreover, it enables to verify the ideas (Ventayol, 2016). However, the testing is used not only to collect the necessary data for the product improvement, but also for marketing purposes to raise the interest among potential customers.

The companies nowadays strive to look for customer demand and pledge the user-friendly features in their newly-developed products. However, the new ideas require a lot of additional brainstorming in combination with the thorough analysis to select the most valuable findings and proceed with them to the following phases of the product development. Idea screening stage comprises the idea choosing activities. The screening process allows to consider whether the new ideas can satisfy company's strategic goals with the available corporate resources and know-how. During this stage, a company uses normative approaches such as checklists, scoring, and profitability index models, etc. to separate more valuable and applicable ideas from the rest.

The list of questions that a company can discuss during product screening stage may include the following (Avlonitis & Papastathopoulou, 2006):

- *What do the customers want to buy?*
- *What choice criteria do the customers use?*
- *Where do customers purchase similar products?*
- *How much money are customers willing to pay for the product?*
- *How often do customers plan to buy the product?*

Besides that, a company should make an analysis of competitive conditions such as a number of competitors on the market, their strategies, results as well as the competing products. Evaluation of competitive conditions can help a company to understand possibilities, strengths, and threats it may face while introducing the new product to the public.

By the completion of the competitive analysis a company may have some hints about the product or service they are planning to launch, and, therefore they can make a more precise evaluation of marketability, durability, productive ability and growth potential as classified in O'Meara's seminal study (1961). Marketability criteria are being used to evaluate how a new product or service relates to present distribution channels and present products lines. Merchantability, quality/price relationship, number of variations such as sizes, grades and product lines are being accessed while making marketability evaluation. A durability criteria comprises stability and resistance to cyclical declines and seasonal changes of market. Productive ability reflects on the equipment, human resources and

knowledge necessary for production, while growth potential includes assessment of market position, additional value embedded in a product and expected competitive situation.

Overall, those four criteria constitute a representation of the new product that helps to separate a good product idea from the bad one by seeing how the product complements a present line, how resistible it is to the external changes of the market and finally, what resources needed for its production and launching. Those are the main components of the idea screening, but they are not exceptional.

Cooper and Brentani (1984) proposed to assess the economic performance/financial potential, corporate/internal synergy, technological synergy/production design synergy, product differential advantage. This approach is broader than the one created by Avlonitis & Papastathopoulou as it is not only based on the market potential and expected sales growth, but also points the attention to the company's experiences, capabilities as well as product's uniqueness and superiority, to measure the probability of product's success. Thus, it shows the correlation between the company's resources and the value it can generate for consumers as well as financial profits a company shall expect in return.

Overall, the aim of idea screening stage is to identify the possible drawbacks and opportunities, product's strengths and weaknesses. It is one of the most crucial initial stages that help to come up with the measured concept and proceed to develop the idea in a certain direction. It helps company to come up with a product concept, which can be defined as clearly written and possibly visual description of the new product idea that includes its primary features and consumer benefits, combined with the broad understanding of the technology needed. (Rosenau, 1996).

When a company already has a preliminary concept, it can proceed to the next stage of the product development, which is development of findings and testing. The product concept can be verbally described or visually presented to potential customers to mark their reactions to it and collect their feedback. During this stage a company may want to collect the answers about the needs of potential customers and their opinions on whether the product can satisfy their demands and how much they are willing to pay for it, what quantity they are eager to buy and how periodically often.

Concept testing is usually conducted by means of the personal interviews with the respondents that can be conducted at their home, mostly for consumer products, or at their work place, for example, for industrial products.

Marketing strategy stage consists of developing and testing concepts. The information gathered throughout initial stages is assessed more systematically to make the accurate estimation of market conditions, customer needs, and market potential. Such information includes market-related variables.

Through the initial stages of the new product development, a company gathers marketing information and makes preliminary estimates for various market-related variables, for example, market size, marketing resources, target market and competitive products. However, at this point, the information is not systematic yet and needs to be categorized to make the accurate estimation of market conditions, customer needs, and market potential. Therefore, a company has to create a marketing plan which includes categorized descriptions contained in several parts:

- *Introduction (description and features of a new product, the relation of a marketing plan to other corporate plans);*
- *Analysis of external environment (size of market and growth rate, customer behaviour, competitor analysis, opportunities, etc.);*
- *Analysis of internal environment (marketing audit, strengths, and weaknesses);*
- *Marketing objectives (planned sales and profits, improvement in the company's performance);*
- *Marketing strategy (target market, product branding, and positioning, distribution strategy, etc.).*

On the basis of this systemized information, a company creates an action plan that includes a list of activities, such as pricing, distribution, promotion, list of responsibilities and the time frames as well as the estimated budget for the plan completion.

The last stage of product development is business analysis, which has many financial projections such as estimation of development, production and launching costs; investments in the assets and equipment; the sales revenue, etc.

There are several economic financial evaluation models being suggested in the literature. For example, DEMON (Decision Mapping via Optimum go/no-go Networks) (Charnes et al., 1966, 1968) and SPRINTER (Specification of Profits with Interaction under Trial and Error Response) (Urban, 1968). Correct financial evaluation models usually based on the accurate forecasts about marketing and sales.

To summarize, product development consists of several initial stages used to gather information about the market and potential customers as well as to collect a general public opinion about a product or service to perform an accurate analysis of strengths and weaknesses. It results in a structured marketing and action plan as an implementation of prod-

uct launching, branding, and distribution. The process of product development can base upon various theoretical findings depending on the type of a product or service, technologies implemented and scale of company's planned operation, but, besides that, company's vision in combination with product's uniqueness and superiority plays a considerable role for creation of the detailed and working marketing plan. Thee technological capabilities and company's experience combined with the lower production costs are also the factors, that should be considered to succeed.

The final marketing plan contents and marketing ideas will depend on a competitive situation on the market and company's resources. Correct and precise estimation of financial costs in combination with the assessment of the concept based on product testing and feedback received from external and internal sources, leads to the understanding of the activities a company should carry to launch and promote the product or service successfully .

### **3.2 Customer behaviour**

The importance of customer feedback and information from the external sources was underlined in the previous section. A precise understanding of customers' needs and wishes depends on how the relationship and management between a company and its clients get organised. Customer behaviour depends on various factors such as seasonal changes, price segments, geographical area, etc. Tracking of on-going shifts in customer behaviour can lead to more control of company's operations and more customer-oriented approach in regards to what a company is doing. The dimensions of public relations between organisation and its customers define how fast a company can implement the new trends in its products and how well it can influence the changing patterns of customer behaviour. Therefore, it is essential to understand what constitutes the customer behaviour and which triggers a company may use to attract customers to its products and services.

The customer loyalty is first and foremost components of customer behaviour a lot of companies are looking for their brand. Loyal fan base allows getting more returning sales and spread the information about products and services to other potential customers. What factors influence customer loyalty and help to improve it?

Some theoretical findings show that organizational involvement in support of the community can trigger the customer loyalty when this support recognised among critical publics (Ledingham & Bruning, Relationship Management in Public Relations: Dimensions Of Organization-Public Relationship, 1998, p. 63). Dimensions of organizational-public rela-

tions viewed as an integrated mix that includes such variables as product characteristics, perceptions of quality, service, price, levels of technology, demographics, etc. The recognition of values, existing in the community, is a first step to solidify the customer trust, involvement, investment, and commitment.

For small-scale local organizations, the analysis of customer behaviour and commitment may not require too much research and additional efforts, and, therefore, to improve organizational performance in a quick manner by raising the service level and adjusting the set of company's activities to customer expectations and values mostly appreciated in the local community. However, the process of meeting customer expectations and winning their loyalty can be quite complicated for large organizations as their research on value assessment has multi-layered character and has to be conducted in different regions of organisational operation as well as towards each set of its activities.

The difficulty of meeting customer expectations in a vast scope illustrates the actual situation of Posti that still keeps a leading position on the local markets but struggles to expand its presence abroad. Importance of additional value creation and correspondence of company's services and solutions to the customer expectations has underlined in latest Posti's Sustainability Report (Posti Annual Report 2016, 2016, p. 2). Nevertheless, net sales and operating results continue to decrease gradually, meaning that some services may not be relevant or satisfactory for customers anymore.

Posti has come up with some solutions to strengthen its position as an up to date delivery service provider and improve the current situation with customer loyalty and involvement. The primary attention paid to the digital marketing and data services, solutions for e-commerce, warehousing and transportation services, etc. However, to strengthen its position on local and foreign markets some additional research on various factors, affecting customer behaviour could be done. To adjust the operations to changing customer behaviour the cultural aspects of communication could be taken into consideration. Those aspects are known as ethics, values, norms, and perspectives and define why each culture differs from each other.

### **3.3 Cultural aspects of communication (ethics, values, norms, perspectives)**

From the beginning of centuries, every national group has been developing its norms, rhythms, understanding, and policies of life. Those cultural norms influence behaviour and cultural aspects of each nation. Nowadays, due to the internationalization process, the borders between different countries are quite blurred, that results in cultures being influ-

enced by the direct interaction between each other, and therefore, traditional ethics, values, norms, and perspectives are being transformed, borrowing traditions and behavioural patterns, and embedding them into a specific culture.

World mass media sources form public opinion, following the favourite trends and tendencies. The businesses adjust their selling, promoting, marketing, merchandizing activities to the changing environment. However, the understanding of customer needs, overall, is getting harder, because society's perception of values becomes mixed. Therefore, a successful business should have strong social connections and presence to adjust its activities to the changing customer behaviour.

In the recent years Finland has an inflow of internationals with different mother tongues, and English as a common communicational language, services, and education purposes, especially in Metropolitan area. Therefore, many organizations adopt their services and start to present and arrange them in English as well.

This actual problem gets closer to the patent and company registration (PRH) where all the new companies fill the applications in Finnish language and tax offices (Verohallinto), whom advisors even if they speak English well, do not answer any questions regarding new open company and it is building a barrier to operate freely in Finland. The English language is the international language and the most spoken language in the world especially on the Internet covering 98 percent of users. It is crucial for a better business to operate also using English at least with the people who do not understand it for some reason because this brings real value to a particular organization. But, this is not the only one clause which helps in business, a one more vital thing is to understand a culture of a client and build a conversation around it, so to reach a complete accomplishment of a specified transaction (Tomalin, 2014, pp. 69-75).

### **3.4 Customer centricity**

The concept of customer centricity is getting quite popular among the companies in the last few decades. This approach has been seen as a source of competitive advantage, and many leading enterprises, including Intel, Dell, IBM and American Express have placed it in the center of their business practices as a way to achieve the finish in a competitive race.

Many organizations consider themselves customer centric too often, just by claiming the idea of being "close to the customer" and "customer-oriented," while their cultures, pro-

cesses, structure, and adjusted strategies to execute it (Kumar, 2006). There is a lack of understanding of core customer centricity principles that results in misrepresentation and wrong implementation of this concept. The customer-centric thinking goes beyond merely reconsidering the set-up of sales and marketing departments and should be implemented throughout the entire organization.

First and foremost, why are organizations pursuing the ideas of customer centricity? The answer to this question lies in the comparison of customer-centric and product-centric concepts. Product-centricity is an opposite approach to customer-centric. Product-oriented organizations are focused on manufacturing and selling superior products efficiently, while organizations of customer-oriented type are defined by customer-value creation when value perception by the customer is placed “at the heart of key business and organizational processes.” More precisely, the organizational strategy, structure, systems, and processes optimize the value creation in the eyes of the customer.

The ideas in product-centric organizations originate from within the organization. A company of that type develops a product and then tries to push it to the customer, relying on product quality and superiority. Customer-oriented organizations gather the ideas from the outside. Their product development process based on the customer needs and wishes, and the products are not the best, in terms of superiority, but rather reliable and tailored to the values of customers.

Thus, the product strategy development in customer-centric organizations begins with the value perception of the customer at the center of attention and all the following activities are influenced by the “outside-in” thinking. “The aim is to create an optimal and distinctive fit between the value perception of the customer and the products or services offered.” (Hemel & Rademakers, 2016, p. 214)

According to the Posti Group’s Financial Statements Presentation 2017 “Posti’s goal is to evolve into a customer-oriented”. How customer-centric is Posti Oy at the current level and what steps it can make towards the customer orientation?

The research conducted by Hemel and Rademakers uncovered several crucial factors that help companies to move towards customer centricity as well as some barriers that deter them from becoming customer-centric. The researchers distinguish nine shaping factors, labeled as follows: (a) be agile, (b) do not lose touch with the customer—whatever your level (‘interact with the customer’), (c) turn the traditional corporate pyramid upside down, (d) team up, (e) balance empowerment with guidance, (f) incentivize relative to the



customer experience, (g) recruit for the right mindset, (h) ensure active customer participation, and (i) be proactive. Among the deterring factors they name: (a) avoid a culture of fear and judgment, (b) less is more, (c) stay away from the quarterly run for results (Hemel & Rademakers, 2016).

Considering the key shaping factors of customer centricity, agility comes at the first place. Agile organizations are characterized by informed risk taking and change-embracing mindset, that means a quick response to the customer's needs.

The term customer centricity has got significant implication for many organizations as the way of enhancing long-term profitability and financial performance. This is a key value creation process and establishes and strengthens unique customer relationships. Being a customer-centric organization is not easy, and in fact it is quite complicated to play a role of a real customer-centric organization.

Taking Posti palvelut Oy into consideration obviously, this is not a customer-centric organization. The reason is that Posti delivers post, newspapers, and parcels to the customers, but the customer is just the end receiver of a service and not a starting point which then spreads to the organization on its own and their employees. To become a customer-centric organization, integration with customers have to be, co-creation meaning that Posti should better understand their subscribers and customers and create new services which can bring real value to them.

### **3.5 Internationalization**

Posti Palvelut Oy is a Finnish object of internationalization. The company has got a numerous quantity of foreign employees from all over the world, whose positions are growing daily. Furthermore, the organization has branches operating in other countries as a fact, with the company name known as Itella. Nowadays, people do not stay at the same place and more often immigrate and emigrate, changing cultural way of life. Therefore, it is getting normal that the regular rhythm and work process changes along the way. There are prevailing theories to describe what internationalization stands for in Posti palvelut Oy.

The internationalization process covering organizations is a subject of widespread research attention and empirical investigation. (Anderson, 1993). Then this has been comprehensively reviewed and concluded that there is a wide range of different paths any firm might take in internationalization. It regards economic, econometric, managerial models

and organizational marketing. This process improves and strengthens both a firm's inward and outward activities.

By nations mixing, an individual company can grow faster as well as to become a world's leader. Internationalization helps to gather knowledge, experience, innovative ideas, style of work and others by the employees who have the other nationalities. Taking Posti palvelut Oy into consideration, it is getting quite visible, that the work process has been changed comprehensively. The foreign employees can share their ideas improving a level of productivity at work making a firm international and gather information and other experiential knowledge excepting any physic distances.

In accordance with the theory called Uppsala founded by Scandinavians, gives a clear understanding of the words outlined above. The theory identifies four steps within this process. No regular export activities; export activities via independent representatives or agents; the establishment of an overseas subsidiary; and overseas production/manufacturing units. By proceeding along the internationalized path in the form of logical steps and appropriate intelligent use of foreign markets and their operations, which successfully determine higher levels of liability towards overseas destinations (Vahlne, 1977)

Regarding external organizational communication, it has become easier to communicate to stuff using not only the language adopted in the country but also miscellaneous others to get a complete understanding and satisfy Posti's customers.

### **3.6 Organizational communication**

There is an existence of different approaches about what the organizational communication is, and how it can be viewed and defined in the different ways. All of them based on the same concepts of communicating and organizing. Therefore, it is necessary to take a look at the interrelation of those concepts in the scope of various theories and to find the most common features to define the "organizational communication" itself.

The container and social constructionist approaches can define the relations between communicating and organizing. The container approach assumes that organizations serve as the units – containers, which influence the communication behaviour within themselves (Axley, 1984). Thus, accordingly to this approach organizations exist independently of outside communication and the flow of communication depends on their hierarchical structure, etc. The second approach is broader as it assumes that communication creates the form and shape of organizations. The way organization start to function originates from

the outside. For example, when organization members consistently funnel their information through one person, they create a centralized network structure where one person maintains a high-degree power because s/he is at the hub and controls the flow of information.

In both approaches, certain features of organizational communication are underlined. The first one assumes that communication within organization wholly depends on the organization itself, while the second one focuses on the organizational idea originating from the outside communicational patterns. The main aspect of it is to see both approaches combined for a better understanding of this kind of communication as well as better productivity in practice.

It is significant to explore the topic and familiarize with classical theories of organizational communication to understand the basics. Most of them, firstly originated during the period of industrialization, when the transition from agrarian and farming family-owned businesses to larger industries has happened. The main idea of the traditional perspectives of organizational communication is that organizations function similarly to machines. Each employee is like a single part of a whole mechanism, and if one piece fails then the machine fails same time. (Wrench, 2012. P. 125)

With the development of industries and originating of big international corporations and business networks, the organizational communication became more complex and diverse field, including newer values such as; work ethics and customer relationships (Merz, 2011). Therefore, the familiarization with the existing modern theories needed to observe this kind of communication from the contemporary perspectives (Wrench, 2012. P. 110).

The first theory to be considered is Fredrick Taylor's. The theory explains that all the managers come up with ideas of work process optimization, while the employees must obey and follow the rules without any inappropriate decision making, it means that the labour force must not have any authorities to decide the things which managers do. The worker must do labour and managers must do the thinking. There is limited communication (Wrench, 2012. P. 111).

The second Max Weber's theory which has an impact these days builds on seven main aspects which fulfil the process entirely. This theory is called Bureaucratic (Merz, 2011. P. 87). This is the ideals in which organizations should aim for and aspire. These are; Detailed Job Descriptions, Employment Based on Expertise, Impersonal Environment, Spe-

cialization & Division of Labour, Rules & Procedures, Hierarchy of Authority, and Formal Communication.

### **3.7 External communication**

The research aim is to reveal actual marketing problems of Posti and propose implementing the solutions for the improvement of communication between this particular company and its customers. The main point is to boost the quality of services/products and to attract more customers. One more significant thing to be done is to explore why customers quit using Posti's services and how to avoid this kind of situations. In order to complete these tasks, it is crucial to familiarize with the theories related to the external organizational communication in B2C sector.

The fundamental concepts on which many authors base their theories are marketing communications and public relations. The relationship between them is a vital question explored by many theorists. They have singularized different types of the ratio between those terms in external communication, which are presented by two kinds of organization. "A functional organization refers to the concentration of the responsibility for marketing or public relations activities such as; knowledge and skills, within a group of specialists in the organization" (Cornelissen, 2014. P. 34). Consolidation of communication activities into departments brings a lot of benefits as well as the risks such as the challenge of coordination between specialized functions, inter-functional conflict, and "turf wars," functional myopia, and overspecialization (Banner, 1995. P. 163).

The other type of process, in which organization represents the model of activities allocation among the specialists, when they are not working as a single department, but their performance, is integrated within the organization.

The success of organizational forms depends on the way the inter-organizational communications manage external communication. Therefore, adequately developed and implemented strategy of integration and interrelation between Posti and its potential customers strengthen the ability for the better productivity, beneficial relationships and fast-growing revenues. It is crucial to reach a proper communication level while working with customers, to understand the way this unhappiness and frustration happen and how to avoid it.

According to the organizational structure, Posti is a functional organization which has departments responsible for different tasks. The headquarter is located in Turku and being the main managing and decision making office, it includes central departments such as;

marketing, financial, recruiting, which are liable for accounting, salary and tax payments as well as creation and unification of organizational rules, policies, advertising and marketing campaigns for all postal units throughout Finland. Such postal units are accountable before the headquarters and perform the executive functions, including the rendering of services in certain districts and parts of Finland, and implementation of main office's instructions. Thus, all the matters related to the customer communication policies are decided by the headquarters, while branches control their precise completion and teach new employees the core corporate ethics and its right execution. All these moments of hiring, build a well-organized and centralized machine aspiring to satisfy all the customer's needs.

The communication between customers and Posti takes place in all the matters related to the service provision when direct contact between them happens. For example, when a courier or post assistant hands package or letters to the client or when the communication by e-mail, phone, fax or in person occurs about any issues related to problem-solving, subscription, delivery, etc. The rest of the rendering of service quality mostly determined by corporate ethics itself, but human factors can exclude them anyway. This is a so called unaccomplished communication when a certain customer starts behaving impolitely when no ground for the scandal exists. Therefore, every new worker must complete a trial period in which he is taught by the employer how to communicate properly and how to conduct politely with customers and then if the employer's and customer's satisfaction has reached, then he becomes a full-time employee and in the case if he was not following the instructions given and neglects the code of conduct, she/he would have a verbal warning and if the same situation happens again, then that certain employee could face the consequences up to dismissal.

### **3.8 Public relations**

For the better understanding of customer needs and requirements, it is significant for an organization to research and consider their opinions to avoid the crisis. The main purpose of public relations is to develop a long-term dialogue between companies and public. The role of PR is defined by the Institute of Public Relations to establish and maintain understanding between an organization and its public" (Blundel, 1998, p. 186). Game theory introduced by Grunig and his colleagues (2001) allows us to understand how PR strategies balance the interests of both parties.

Grunig has created a model, showing two extremes, when asymmetric communications are practised either for the interests of an organization or public (R. Tench, 2014, s. 126).

The model also shows the central “win-win zone”, when interests of both sides are balanced and, therefore, mixed motive communications are practised. The main components characterizing this type of communication are a mutually satisfactory negotiation, persuasion and compromise, leading to the “win-win outcomes.” PR specialists often develop strategies, and define goals based on the need to reach a compromise with audiences, providing them with a product or service value that corresponds to the amount they are ready to pay for.

By taking a look at the existing communication practices between Posti Oy and its customers from the perspectives of Game Theory, it reveals that a given company adjusts its strategy as well as a range and value of the services provided to change customer behaviour. In addition to meal delivery and gardening services, Posti is branching out into helping customers with loans. The company includes meal delivery services and considering expanding into providing with limited healthcare, such as heating and serving meals to elder or disabled customers (Credit and mail to go: Posti now diversifying into lending services, 2017). The restructuration of a company has been started adjusting their resources to handle the changing situation effectively. Therefore, despite of difficulties caused by financial condition and leading to massive dismissals, the Posti proves to be the customer-oriented company, compromising its benefits for customer satisfaction at a given point. It is difficult to predict any prognosis regarding the shift to the “win-win zone” in the nearest future. Nevertheless, the communication in its actual form has a transitional character.

Relationship management research, conducted by Ledingham and Bruning helps to understand and explain the on-going process, stating that “effectively managing organizational-public relationships around common interests and shared goals, over time, results in mutual understanding and benefit for interacting organisations and public (Ledingham, Explicating Relationship Management as a General Theory of Public Relations, 2003)”. This approach means that PR strategies and tactics should always be assessed in terms of their effect on the relationship between an organisation and its publics, rather than, for example, the benefits they provide for the organisation. Nevertheless, this approach has been criticized by other theorists. Kent and Taylor (2002) point out that dialogue between companies and public in practise frequently fails to meet the expectations of those taking part and, moreover, requires disclosure of information that may make the owner of the information vulnerable. Therefore, all the risks should be accessed in advance to minimize the disclosure. Thus, to be effective this approach requires a certain level of transparency from the company and in modern terms of business, including commercial secrets can be implemented only in certain spheres of communication with customers.

Public relations also should be accessed in the scope of cultural norms and expectations of a certain society. Some researches (Holtshausen, 2003; Sriamesh, 2017) argue that recognition of cultural norms and expectations is essential for a company to remain relevant in a rapidly globalizing world as they determine the effectiveness of tactics and strategies. Sriramesh and Vercic (1995) outlined the factors to consider the public relations, especially, when researching international public relations. These include: culture (societal and organisational), political system, economic system, political economy, the media system, forms of activism.

Other studies have found region-specific characteristics associated with this practise. For example, economic, social and political circumstances in Latin America resulted in expectations that organisations would contribute in the development of society (Modella 2000).

### **3.9 Theoretical summary**

The product development is a multi-stage process that requires a lot of research during the initial stages as well as analysis of market, profitability and multiple financial factors affecting the product decisions. The information for a new product idea can originate both from internal and external sources, but in the contemporary fierce competition situation, the external data obtained from customers is highly valuable. A company that wants to develop and sell new products successfully has not only to understand the values and behaviour of its target audience but also successfully maintain public relations and analyze the customer data, minding the cultural aspects of a specific customer group. Besides that, well-developed organizational communication starts to play a huge role in maintaining of inter-organizational cooperation between different departments while developing a product and during the interaction with customers, competitors and other external sources to collect the full and accurate data.

The well-organized internal communication within a company is extremely important for a new product development, especially during the stages of the concept and idea generating and screening, because it allows to analyse the data from different departments and combine it in order to come up with ideas about possible technical, financial and marketing solutions as well as to mobilize the resources and point the attention to certain aspects. The understanding of company's position on the market, available resources, financial situation, public connections and marketing solutions is essential for the strategic planning.

The external communication with potential customers and actual clients, on the other hand, is necessary for the collection of the new insights from the public opinion such as the feedback about products and services, the values, desires, and discontent of consumers. It does not only help to define the fundamental concepts of the planned products and services but also to improve the existing ones. Such activities as beta testing and idea screening allow companies to get rid of the excessive details and craft the product accordingly to customer's wishes and needs.

The company in its research and product developing activities may mainly rely on the data from its internal sources, for example, if a product is based on the entirely new technical solutions and there is no or very few similar products available on the market. Still, the company has to understand the desires and needs of the target audience, and, therefore, the data from external sources cannot be wholly neglected for the aims of marketing and advertising activities.

Bringing the findings from external and internal sources together is the key of finding the balance between company's strengths and customer's needs as it empowers the organization with the ability to seek for the opportunities and avoid the threats. The "win-win zone" in public relations allows the product to take a certain particular and stay there for a longer period.



#### **4 Research methods (qualitative and quantitative researches)**

Research about the customer insights for Posti's products requires both statistical and qualitative information from customers that are using postal services in Finland. It is necessary, to analyze this data in the aggregate to understand Posti's position from the customers' perspective and understand their views on company's performance. The customer data contains the explanations for the existing strengths and weaknesses in B2C communication as well as the reasoning for the success and failure of products and services. Altogether, the information from qualitative and quantitative research forms a background that can be implemented to improve the company's performance and develop the customer-oriented products and services.

The primary purpose of quantitative research is the quantification of data in the form of sample (Comparison of Qualitative and Quantitative Research, 2017). In other words, results of quantitative research represent the numerical and statistical data about a certain issue.

Sampling technique is used to collect public data to reflect it in the numeric form such as a diagram, pivot table, chart, pie chart, etc. Simple random sampling is the most known method of quantitative research, and everyone in the population has exactly the same chance of being included in the sample (Muijs, 2004, P. 40). For the actual research the data from Haaga-Helia students has been collected and presented in the form of sample. The survey was chosen among the other data collection methods.

The main advantage of a survey is the familiarity to the public and the fact that it allows users to complete the questionnaire at their convenience, so they can take some time to think about their answers (Muijs, 2004, P. 41). A five-question survey was created on the Webropol platform to receive the quantitative data about Posti's B2C activities and performance. The results are contained in the next section and shown in the format of charts, tables and other graphs that visually illustrate the public opinion on the given questions.

However, the quantitative information alone would be incomplete without qualitative data as it does not describe the views, judgements, needs, and reflections of public about the particular issues. Qualitative research is used to get an in-depth understanding of reasons and motivations behind the numerical data (Yilmaz, 2013. P. 65) and helps to acknowledge the factors, that might affect the opinion about the studied topic. The two most used qualitative research methods are participant observation and personal interviews with the use of a questionnaire (Denzin, 2000. P. 173). The in-depth aspect of quali-

tative research methods reinforces the purpose of gaining a detailed insight into the research issues from the perspectives of the study participants themselves (Hennink; Hutter; & Bailey, 2011, P. 109).

The qualitative research has been conducted in the form of personal interviews with the students of Haaga-Helia and the general public in Helsinki and Porvoo. The interview questions aimed to explore people's beliefs and opinions about Posti's performance and emotions they connect with the brand. Some questions were asked to uncover the experiences they have with postal services provided by the company. Open questions have helped to reveal the people's values and attitudes towards the Posti's external organizational communication and public relations.

The interview results are presented in the form of four section tables, containing the data received from all the respondents. Both Survey Report and Interview Answers are enclosed in the Appendix 1 to this research.

## 5 Data collected

### 5.1 Survey

The survey results presented in this section show the statistical data about customers' values and preferences in the sphere of postal services

Table 1. Haaga-Helia age group results, autumn 2017 (Helsinki, Porvoo, 2017)

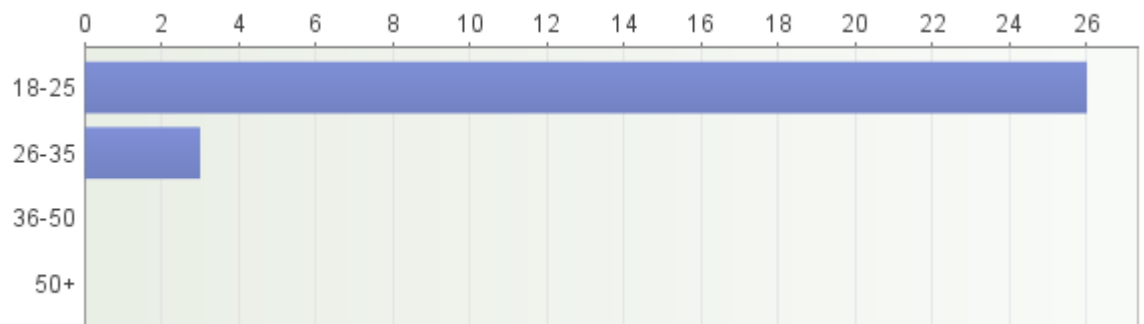
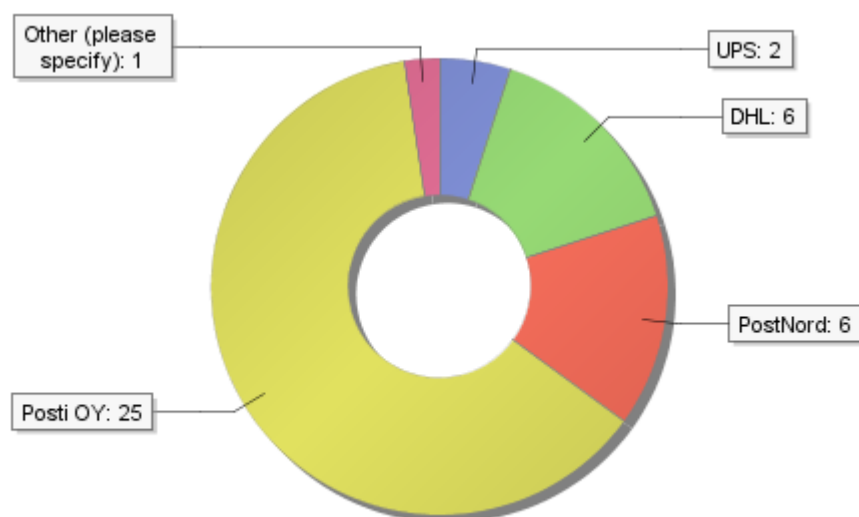


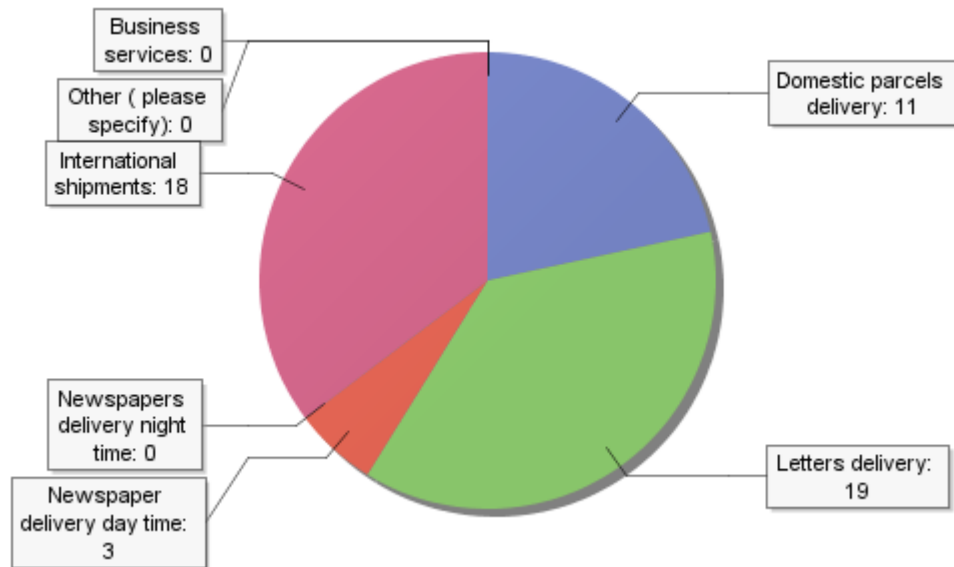
Table 1 contains the data on the total quantity of respondents and their age groups. Twenty- nine Haaga-Helia students participated in survey and the prevailing age group is between 18 and 25 years old. However, it was yet impossible to reach more elderly population. Nevertheless, the survey results show that the young people are active users of domestic and international delivery methods.

Table 2. Customer preferences on delivery methods, autumn 2017 (Helsinki, Porvoo, 2017)



The students were asked about their preferable parcel delivery company among the few active and most known carriers, arranging the postal services on Finnish market. The table 2 above illustrates that 83 percent of Haaga-Helia students prefer using services of Posti. There is no even slight difference in the ratio of votes for courier companies such as DHL and PostNord while UPS received the least favour from respondents.

Table 3. Mostly arranged postal services, autumn 2017 (Helsinki, Porvoo, 2017)



The table 3 illustrates that the mostly used postal services are both, international shipments and letters delivery. Domestic parcels delivery is less used, but it still has a good percentage of votes. Nowadays, the young people do not read the newspapers so often, because of the internet magazine issues and other use electronic devices to access the information.

Table 4. Preferred methods of parcel delivery, autumn 2017 (Helsinki, Porvoo, 2017)

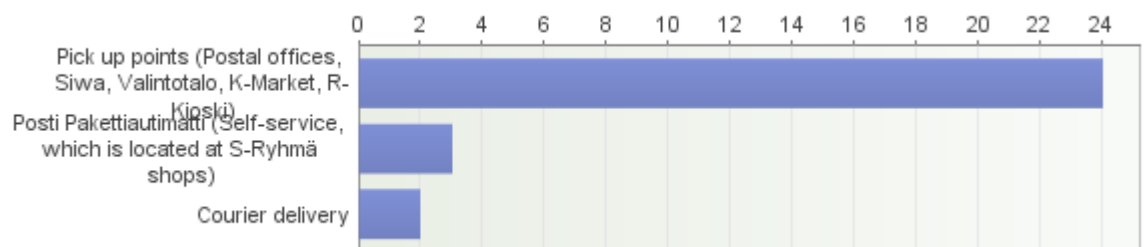
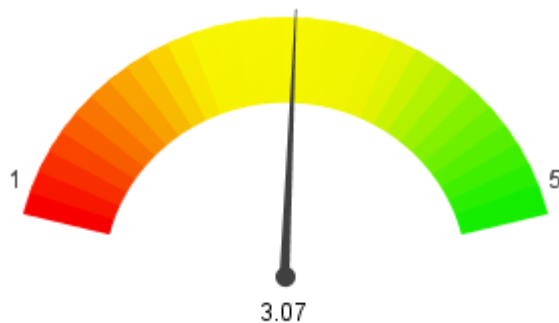


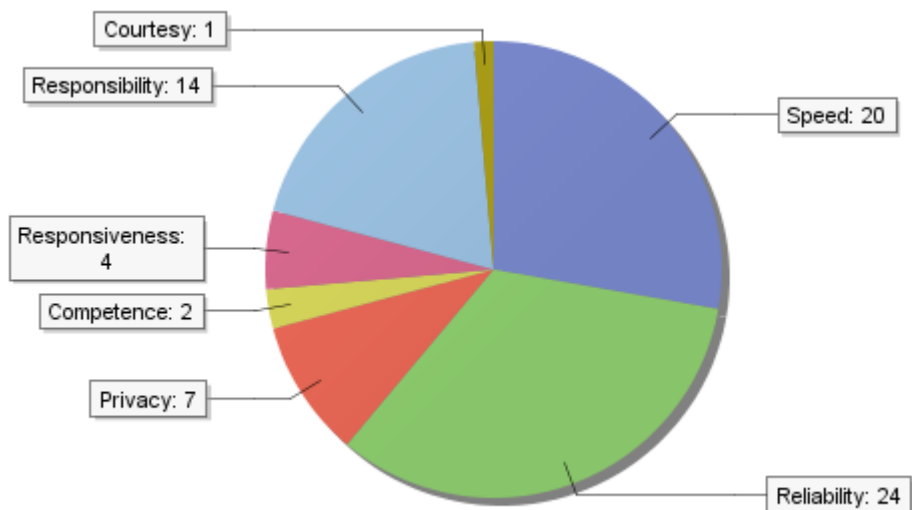
Table 4 represents that ordinary pick up points located in postal offices, kiosks and supermarkets are still in huge demand and only a few respondents prefer using Posti Paket-tiautomatti and courier delivery.

Table 5. The average band of Posti's performance, autumn 2017 (Helsinki, Porvoo, 2017)



The overall band for Posti's services is 3.07 which is an average indicator. Therefore, the quality is still on a good level, but there is still a lot of aspects to be improved.

Table 6. The significant factors of Postal service quality, autumn 2017 (Helsinki, Porvoo, 2017)



The Table 6 shows that respondents consider such factors as speed and reliability as essentials for the quality of postal services. Ability to take and prevent risks as well as confidentiality are also found significant by Haaga-Helia students.

To summarize, Posti is the most recognizable brand among the other postal carriers on Finnish market and its services are being actively used by the respondents. However, the

level of customer satisfaction is average, that underlines there are some quality issues in company's performance that still could be improved. The respondents value reliability, speed, and responsibility and, therefore, attention to those factors can trigger the level and quality of services.

## **5.2 Interviews**

Personal interviews were conducted to get the reflections of interviewees about their experiences with Posti's services and their suggestions about the improvements of postal service quality in Finland. The interview consisted of four open questions, and total amount of 13 respondents took part in it. The qualitative data received from interviewees is categorized in four sections and presented in the Table 7 below. This information complements the survey results, shown in a previous section, and together they form a background for suggestions to the commissioner.

Table 7. Interview results in brief, autumn 2017 (Helsinki, Porvoo, 2017)

<b>Assumptions about postal service quality improvement</b>	<ul style="list-style-type: none"> <li>– Shorter delivery times for domestic and international shipments;</li> <li>– More precise tracking of parcels;</li> <li>– International forwarding service;</li> <li>– More attention to domestic mail forwarding;</li> </ul>
<b>New service suggestions</b>	<p>Food and beverage delivery</p> <ul style="list-style-type: none"> <li>– Order delivery from cafes and restaurants;</li> <li>– Groceries for disabled and elderly people;</li> </ul> <p>Loader services</p> <ul style="list-style-type: none"> <li>– Removal of old furniture;</li> <li>– Services for households;</li> </ul> <p>Manufacturing of</p> <ul style="list-style-type: none"> <li>– Post boxes;</li> <li>– Equipment and raw materials for the cafes;</li> </ul> <p>Other services:</p> <ul style="list-style-type: none"> <li>– Taxi services;</li> <li>– Souvenir delivery;</li> <li>– Customs clearance assistance;</li> <li>– Electronic automatic letter and telegram service;</li> <li>– Special courier service for parcels, containing clothing and shoes;</li> <li>– Services for small business;</li> </ul>
<b>Communication relationships evaluation</b>	<ul style="list-style-type: none"> <li>– Unsatisfactory – 3 respondents;</li> <li>– Average – 2 respondents;</li> <li>– Good – 3 respondents;</li> <li>– Very good - 2 respondents;</li> <li>– No answer - 5 respondents ;</li> </ul>
<b>The main causes of negative customer experience</b>	<ul style="list-style-type: none"> <li>– Unprofessional employees;</li> <li>– Late deliveries or lost parcels / letters;</li> <li>– Wrong item deliveries;</li> <li>– Bad condition of parcels / letters / newspapers;</li> <li>– Tracking / shipment status problems;</li> </ul>

Overall, interviewees agree that postal services require further improvement and most of them admit the importance of new contemporary product and service arrangements. Current problems revealed in the process of interviewing include the failures and glitches in parcel tracking, late and wrong item deliveries as well as occasionally unprofessional behaviour of employees. The challenges with customs clearance of shipments from abroad are also an issue, requiring additional attention. Therefore, besides solutions of technological problems, many customers would like to get more personalized experience, which can be achieved by implementation of external communication techniques and raise of attention to customer service. Thus, the new products should not only be grounded on up-to-date digital technologies but rather exercise them in way, allowing flexibility and convenience for Posti's customers. The overall feedback collected by means of survey and suggestions proposed by the interviewees allows to understand the direction, in which new products and services should be developed, marketed and arranged to the public. Suggestions for commissioner contained in the next section are based on quantitative and qualitative data analysis.



## 6 Suggestions for commissioners

The quantitative and qualitative data from the previous chapter illustrates that Posti brand gets the most recognition among other carriers in Finland. The company keeps a strong presence on Finnish market and gets a lot of favourable reviews from its customers. However, less favourable reviews reveal the origins of existing and emerging problems, which aggravating customer experience and mismatching with customer expectations. In a long-term that can result in the severe damages to the company's image of quick and reliable postal company. The earlier Posti starts to seek for solutions, alleviating those flaws and improving the quality of services, the more chances it has to keep its positions on market segments of operation. However, the new market possibilities should also be taken into consideration and explored to broaden the brand presence.

According to the conducted research, there are four spheres requiring improvement at the current stage: domestic and international forwarding, delivery time and tracking system, mainly because of growing quantity of international shipments and domestic parcels.

Posti also needs to focus on the development and implementation of the new activities anticipated by its customers such as food and beverage delivery, loader services and courier services. Accordingly to the data from Table 4, courier delivery is the least used parcel getting method. However, a lot of international and domestic companies switch to this option to deliver their products conveniently, especially to the wholesale and business clients. As Posti already provides courier delivery, the focus should be pointed to the marketing and advertising activities to raise awareness about this service.

Some interviewees reasoned their less favourable feedback with the unprofessional and sometimes impolite style of communication of Posti's employees. The solution to this problem is in the strengthening of public relations and arrangement of employee training, based on the insights from external communication. The system of rewards could also be developed to encourage the employees, providing a better level of service, leading to higher customer satisfaction level. An employee should recognize, that he/she is becoming a part of the large customer-oriented organization from the very initial stages of employment. A trial period for employment positions, requiring direct interaction with the customers, should be adjusted to arrange a training and support for the new employees. With the extra attention given to a code of conduct as well as to professional training, based on the typical situations occurring during the course of work, a newcomer employee would have more understanding of responsibilities and customer-oriented approach. During the trial period, an employer could evaluate employee's performance and learning of custom-

er centrist approach and make a decision before signing a binding agreement between parties. There are a lot of nuances in dismissing unprofessional employees in Finland, making this process quite complicated. Therefore, the trial period including lessons and workshops with professionals working for Posti could have resulted in prevention of such situations and benefit for the company's long-term performance.

The importance of digitalization process, affecting activities of postal companies worldwide, has been highlighted several times in the research work. Posti develops and includes a lot of useful technological solutions in its products and services, especially, for the last few years, competing against other carriers and postal companies, that strengthening their position on Finnish market. Including innovative technology into a product or service is one of the ways to increase customer's attention to it, particularly, if this technology is a trendy one. However, to avoid customer's disappointment, leading to unpleasant situations such as a loss of credibility and brand reputation, the company shall consider implementing technology for the customers' convenience.

Taking the findings about internationalization, customer centricity, etc. from the theoretical part into account, and combining them with the customer insights from quantitative and qualitative data received by survey and interview, three product prototypes has been created and described. Those product models incorporate the customer-oriented approach and grounded on the suggestions and feedback from the respondents. Two of the models are completely new, while the other one is the updated version of an existing service. The stages of product development process are also described and visually presented in a table format. The SWOT analysis technique has been used to analyze the strengths and weaknesses of each model, considering the external factors and values of the local customers, revealed from quantitative and qualitative research data.

## **6.1 English version of Helsingin Sanomat newspaper**

Internationalization is changing the society and influencing its values, views, and beliefs, but one of the factors that stay overlooked by many companies and researchers is language. It also transforms with time, adopting the new words and phrases, that marketers are implementing in their campaigns to catch the attention of customers. However, a lot of Finnish companies ignore the fact that there are a lot of international people in Finland that are trying to integrate into society and could be the potential customers for their business.

English language is widely used in Finland for educational purposes, tourism and even for the employment of foreign specialists. However, the publishing companies keep releasing

the information sources only in Finnish and Swedish languages. There are a lot of immigrants that are using spoken Finnish in everyday situations, but struggling to understand the texts and TV programs about complex topics. They would like to familiarize themselves with the latest information, views and beliefs of Finnish society reflected in the local sources. However, they opt for international information sources or to the sources of their home country as there is a lack of reliable information providers, elucidating important local events and topics in English.

Helsingin Sanomat is one of the Finnish newspapers that has been operating since 1889. It has a strong recognition on Finnish market and covers up social, political, economic news, events and everyday life topics. According to Sanoma web site information, 88 per cent of all Finnish people read paper or online version of Helsingin Sanomat. The online subscriptions are getting more popular in the recent years. However, newspaper subscriptions are still selling, even though the numbers are decreasing gradually.

Nevertheless, the newspapers are still going to remain in years to come because digital newspaper issues cannot entirely replace the printed media. The market for newspapers may become narrower, but if the publishers still want to capitalize on it, they have to adjust the old format to the trends of the contemporary time. The newspaper publishing can be compared to music record industry that was growing for decades until the CDs and digital downloading emerge. However, in recent years long-play records have started to gain popularity among the music lovers again, resulting in record stores opening worldwide and records being sold online via online shops and special record website marketplaces such as, for example, Discogs. Assumptions about the death of printed media are similar to the statements that cinemas will kill the libraries that were made around half a decade ago. The library services took some change, adjusting to the evolving needs, the same as the movie theatres, but both are being quite popular, even among the young people, especially in Finland. That observation leads to a conclusion about the importance of service design. In case of library services, electronic catalogues are used nowadays for the simplified search of the titles. Besides that, the libraries organize additional activities such as seminars and workshops, but this does not detract the fact, that books are still being borrowed and read. If a company can provide a sensible additional value to the potential customers, they most likely are going to like the product, not depending on the fact, that it has not been of an entirely new nature.

The Table 8 describes a step by step procedure for implementing a new product.

Table 8. Process of a product development

Posti, Offerer	Sanoma		
Posti Palvelut Oy	Research and Analysis	Areas of Distribution	Competitors and customers
Sanoma	Research and Analysis	Journalists	Editing
Sanoma	Revenues and Subscribers	Posti	Distribution and Revenues

Posti is a distributor that accepts or declines specific delivery activities depending on locations, amount of people subscribed, and expenses to cover the fuel, insurance, inspection costs, as well as employees' salaries, work clothes, and medical insurance. Therefore, acceptance or cancellation of the offer is made on the basis of cost calculations. Usually, the choice of distributor is made by the publisher, but in the actual model the offer is being proposed by Posti to Sanoma in order for the companies to negotiate and decide whether the English version of Helsingin Sanomat newspaper should be released or not.

If the companies come to the mutual agreement about the newspaper publishing, the first stage of product development begins. The distributor makes an analysis and research of clauses such as precise areas of the trial distribution, competition, and market opportunities.

The second stage of the product development is processing of the offer by Sanoma that completes the analysis and research and assigns the staff to prepare the materials for the trial version of the newspaper.

The final stage is a publishing of the trial version that is delivered to the Helsingin Sanomat subscribers. On the basis of the response level received from customers, Posti Palvelut Oy and Sanoma can make a decision about the scale of the service.

Table 9. SWOT analysis

<b>Strengths</b> - English version of the most famous newspaper in Finland, HS; - Lower-cost subscription; - Governmental distributor, Posti;	<b>Weaknesses</b> - Internet subscriptions; - Unidentified subscribers; - Expensive Research;
<b>Opportunities</b> - High revenues for both parties; - New subscribers; - Advertising ;	<b>Threads</b> - Competitors with the similar newspaper; - Low demand for paper versions; - Low feasibility;

## 6.2 Customs clearance procedures

Nowadays there are a lot of shipments coming to Finland from abroad and, therefore, requiring customs clearance procedure. Usually those are the orders from foreign internet stores, located outside of EU and wholesale purchases of international companies for business-related activities. However, the parcels from relatives and gifts occasionally fall into the customs procedures.

There are a few ways to complete the customs clearance. The first option is when a customer himself fills in and submits a form through the custom's website and pays all the required fees electronically from his bank account. It seems convenient from the first view, but, it is quite complicated for non-resident to complete this procedure without the assistance of a Finnish person due to complications brought in by logging into an electronic system through the bank account, etc. There is an alternative way, when recipient goes to customs himself and pays all the fees at their office, but that might be a quite time-consuming option, for example, if person lives in the location outside of the Uusimaa region, as customs clearance procedure takes places in the office in Vantaa. If the delivered goods from the outside of the European Union have a value exceeding the amount of 150 euros, the customs charges a duty. The value limit for a VAT-free consignment is 22 euros and VAT is charged on all the parcels exceeding this amount". (Examples for calculating import duties, 2017).

There is also an alternative solution such as Posti's customs clearance services for private and business customers. The table with those services and prices is shown below on the Picture 1.

Picture 1. Custom clearance services price list

## Customs Clearance Services

• import clearance, Basic fee (includes 5 items)	<b>EUR 44.80</b>
– each additional item	<b>EUR 4.29</b>
• financing compensation, 1,64%, minimum	<b>EUR 6.53</b>
• proposing as duty-free	<b>EUR 22.98</b>
<b>Additional services</b>	
• opening the shipment	<b>EUR 12.14</b>
• completing the shipping documents, Parcel card / shipment	<b>EUR 8.86</b>
• border veterinarian	<b>EUR 25.69</b>
• work paid by the hour	<b>EUR 42.27</b>
– minimum charge is half an hour	
• export clearance, Basic fee (includes 5 items)	<b>EUR 34.56</b>
– each additional item	<b>EUR 4.29</b>

Those services are quite convenient for businesses, but for the private customers they can result in additional expenses, exceeding the original price of the shipped item.

The facts as mentioned above show that the procedure of customs clearance in Finland brings a lot of difficulties for a private customer, which results in a situation that many orders from outside of EU are being held by customs. However, the situation could be improved and there is a potential for Posti to arrange the new in-demand service.

As for now, when a shipment from abroad arrives to Finnish customs for a clearance procedure, the recipient gets a notification with contact details and the amount due. If recipient agrees with the amount imposed, he/she has to pay a fee to Posti at company's outlet and custom taxes online or at the customs office. However, when the customs make a wrong calculation, exceeding the percentage to be paid from the original price, the only option is to contact customs office and provide invoices, declarations and other documents required, which can be quite inconvenient and time-consuming. The solution for this type of situation is described below.

When the customer receives a notification about the customs tax, it also should contain an appellation form, where client can leave the statement about original item price and enclose a copy of invoice and other accompanying documents from the sender. The customer also should be able to make it electronically through the website form, by entering his details, tracking number, and uploading the documents from the sender. After he/she fills the form, it is submitted by Posti to customs for a small additional fee. This service

brings the additional value and convenience by saving the customer's time and completing the customs clearance with a correct tax fee calculation.

### **6.3 Phone app and advertisement app**

Posti has created various phone applications to simplify managerial tasks and make work processes for its employees faster and smarter. Even though Posti develops phone applications aimed at its customers, a company still can take into consideration an idea of developing a new application to simplify a pickup process of letters and newspapers mostly, and packages additionally, in the way of automatically-sending notifications when those delivered.

There is no actual need to create a new application, but it is possible to improve the existing one called EDB or electronic delivery book. This is an organization's internal application used by employees, mostly in the newspaper-delivery sector. The electronic book includes all the necessary information on delivery such as; addresses, subscribers' identification, and newspapers' designations. The customers of Posti would get more satisfied if they had an application suggested. First of all, it is convenient, because the customers do not need to check their post boxes, and precisely know the time to pick up a delivered item. Second of all, mail carriers can leave notification to a certain customer if there is any delivery obstacle, for example when a post box is full of newspapers, letters, and small packages and there is no possibility to complete a delivery. Finally, the application is going to reduce the quantity of both night and daytime calls from unsatisfied customers/subscribers, and they can merely notify a supervisor if any reasons or questions arise as well as a supervisor has no need to contact employees and inform about mistakes done or items undelivered afterwards, because the system is common.

Table 10 represents the ways to implement a service. Posti Oy should take an advantage and do it itself, if a suggested service meets their business criteria.

Table 10. Process of phone application development

Posti Palvelut Oy	Phone application for customers and subscribers
Research and preliminary analysis Programmers and editors	Made EDB platform to avoid all the expenses
Programmers and editors	Application advertisement

Table 10 above shows the structure of actions to develop an application. First of all, Posti managers think about the way of sending notifications, making analysis and researches, calculating all the expenses and expected income from it. If the decision made is favourable, the Posti's IT department starts a preparation of a given application based on existing EDB (employees' electronic delivery book) so it could automatically send notifications when a certain page gets completed and customers or subscribers pick it up saving their time and nerves in the case if they must leave to somewhere and need to get an invoice to pay for something before they leave to avoid problems and unreasonable thoughts. Finally, it has to be then well-presented. Nowadays, there are so many resources how to advertise a product that it is not even relevant to start explaining it in this particular thesis.

Table 11. SWOT analysis

<b>Strengths</b> - Existing Applications; - Low expenses; - Faster problem solving;	<b>Weaknesses</b> - Notifications problems;
<b>Opportunities</b> - Customer satisfaction; - Supervision jobs cut; - Easier pick up process and non-verbal mistake or notice regarding subscription;	<b>Threads</b> - Wrong notifications; - Extra arising expenses; - Denial;



## **6.4 Summary**

The product models suggested to Posti Palvelut Oy in this chapter are aimed to improve the customer experience and bring the added value to them. Each product includes the solution to the existing problem and based on the criteria of simplicity and convenience. While the first model, describing English version of Helsingin Sanomat newspaper, requires a lot of consideration and preliminary analysis as well as higher money investments, the remaining two is much easier to implement and launch by using simple technological solutions and moderate resources.

The Phone App and Customs clearance procedure models are based on customer needs and allow them to save the time and shorten the expenses as well as raise the awareness about the orders and subscriptions.

Altogether, the models describe ideas and steps for implementation and can be developed and complemented with additional findings and solutions. The personalized character of each product is an advantage that can be useful for building the connection with customers and improving Posti's image of the customer-oriented brand.

## 7 Conclusion

The product models suggested to Posti are based on the insights from customer feedback as well as on the findings from the analysis of theories. They bring the added value to the clients of a company and seek to satisfy their demands. Therefore, the goal of the thesis work is accomplished, and the work itself can be used as a background for the Posti's customer-orientation strategies.

The research and analysis of Posti's external communication practices reveals that Posti is neither customer-centric nor customer-oriented organization, but they are continually aiming to improve their public relations. Posti's systems and products for business customers incorporate the new technological solutions that speed up the sorting and warehousing process, making it more advanced and simple. However, the rapport between the organization and its customers could be improved by switching to more customer-centric approach. A lot of company's previous products and services were created in a product-centric manner that should be reconsidered in the face of increasing competition.

The organizational communication theories (Max Weber, Fredrick Taylor) in combination with the examples of product development policies, and practices of world-famous brands and major companies (BMW, 3M Corp., Royal Dutch Shell) help to explain the changes in customer behaviour and how the companies can adjust their product development strategies to increase the customer loyalty and positively influence their buying decisions.

Importance of customer insights and external communication for the product and brand promotion is explained by the massive use of technologies and innovations in the contemporary world. Easy availability of technological developments and solutions increases the levels of competition as it overflows the markets with similar products and services. In this kind of situation, the companies, performing research on customer behaviour and providing the solutions to their needs and demands have more chances to win their favour and adherence to the brand. External communication and public relations help to boost product novelty, originality and the level of customer response. Therefore, customer-orientation comes to the first level, while developing and promoting the new product and service.

A company that cooperates with its customers during product development stages, collecting their opinion and feedback, and, here-after reflecting their core values and wishes in its vision, creates opportunities to launch a successful product or service, even with limited resources. Original and technically advanced products attract customers but do not

stay on the market for a long time, if they do not correspond with their values and expectations.

Posti collects customers' feedback about the newspaper and parcel delivery. However, the information received is incomplete as it rather reflects the performance of a particular employee or postal unit. Therefore, it is suggested to pay more attention to such practices as beta testing, trial versions and idea screening, involving customers and employees from customer-service departments. Organizational communication shall not be limited to the "container" approach, when managers and directors make major product decisions without thorough consideration of data from subordinate departments. Ideas for the improvement of existing products and services as well as the new product suggestions originate at different organizational levels, especially, they come from the departments, arranging the customer service. Therefore, Posti could try to implement the practice of 3M Corp., encouraging employees at different organizational levels to come up with the ideas for the new products and services.

The topic of the actual research is quite broad. However, it shall not be limited only to the interrelation between product development, customer insights and organizational communication. The further research about the processes and technological developments influencing customer behaviour and product development would complement the findings presented above. BlockChain, IoT, Big Data and other technologies received a broad recognition among both companies and customers in the last few years, and that will lead to some major changes in the nearest future.

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## **Appendices**

### **Appendix 1. Webropol survey questions**

1. What is the age of yours?

- 18-25
- 26-35
- 36-50
- 50+

2. Which postal company do you mostly use?

- UPS
- DHL
- PostNord
- Posti OY
- Other –please specify

3. Which postal services do you mostly use?

- Domestic parcels delivery
- Letters delivery
- Newspaper delivery day time
- Newspapers delivery night time
- International shipments
- Business services

4. What is your preferable parcel getting method?

- Pick up points (Postal offices, Siwa, Valintatalo, K-Market, R-Kioski)
- Posti Pakettiautomaatti (Self-service, which is located at S-Ryhmä shops)
- Courier delivery

5. How are you satisfied with the service quality of Posti OY?

- Not at all
- Good
- Quite good
- Very good
- Excellent

6. What is the most important for you in the services provision?

- Speed
- Reliability
- Privacy
- Competence
- Responsiveness
- Responsibility
- Courtesy

In Finnish:

1. Mikä on ikäsi?

- 18-25
- 26-35
- 36-50
- 50+

2. Mitä postitus yhtiötä käytät eniten?

- UPS
- DHL
- PostNord
- Posti OY
- Muu - eritellä

3. Minkälaisia postipalveluita käytät eniten?

- Kotimaan pakettijakelujen
- Kirjaimet jakelujen
- Sanomalehden jakelujen päivä aikaa
- Sanomalehden jakelujen yö aikaa
- Kansainvälisiä kuljetuksia
- Yritys palvelujen

4. Mikä on sinulle mieluisin tapa saada lähetys?

- Ei lainkaan
- Hyvä
- Melko hyvä
- Oikein hyvä
- Erinomainen

5. Kuinka tyytyväinen olet Posti Oyn palvelujen laatuun?

- Ei lainkaan
- Hyvä
- Melko hyvä
- Oikein hyvä
- Erinomainen

6. Mikä on sinulle tärkein seikka postipalveluissa?

- Nopeus
- Luotettavuus
- Yksityisyys
- Pätevyys
- Vastauskyky
- Vastuullisuus
- Hinta



## **Appendix 2. Interview questions**

1. Do you have any assumptions about postal service quality improvement?
2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes  
For example: food delivery, taxi services and souvenirs
3. What do you think about communication relationships between Posti Oy and its customers?
4. If you have any experience with Posti OY (good or bad), could you please explain it?

### **Haastattelukysymykset**

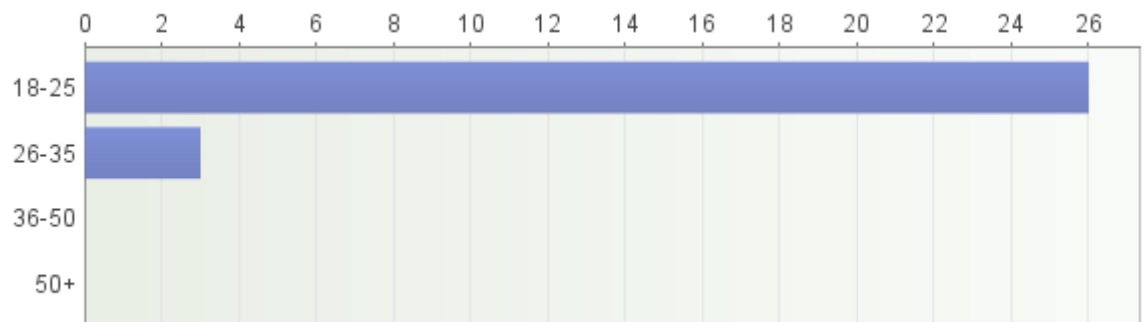
1. Onko sinulla joitain ideoita, miten postin palveluita voisi kehittää asiakasystävällisemmiksi?
2. Onko sinulla mielessä joitain uusia ideoita, mitä voisi järjestää postinjakamisen yritysten kautta? Käytä mielikuvitustasi + toiveitasi. Esimerkiksi: ruoan kotiinkuljetus, taxi-palvelut, matkamuistot
3. Mitä mieltä olet Postin ja heidän asiakkaiden välisistä asiakaspalvelusuhteista?
4. Onko sinulla kokemuksia Postin palveluiden kanssa, mitä haluaisit jakaa? Hyviä tai huonoja.

### Appendix 3. Webropol survey report

#### Posti: External Communication Survey - Basic report (edited)

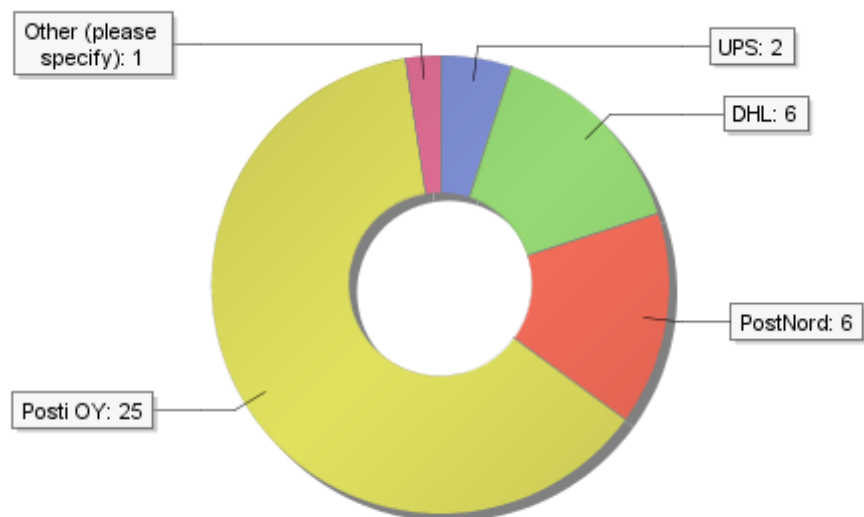
##### 1. How old are you?

Number of respondents: 29



##### 2. Which postal companies do you mostly use?

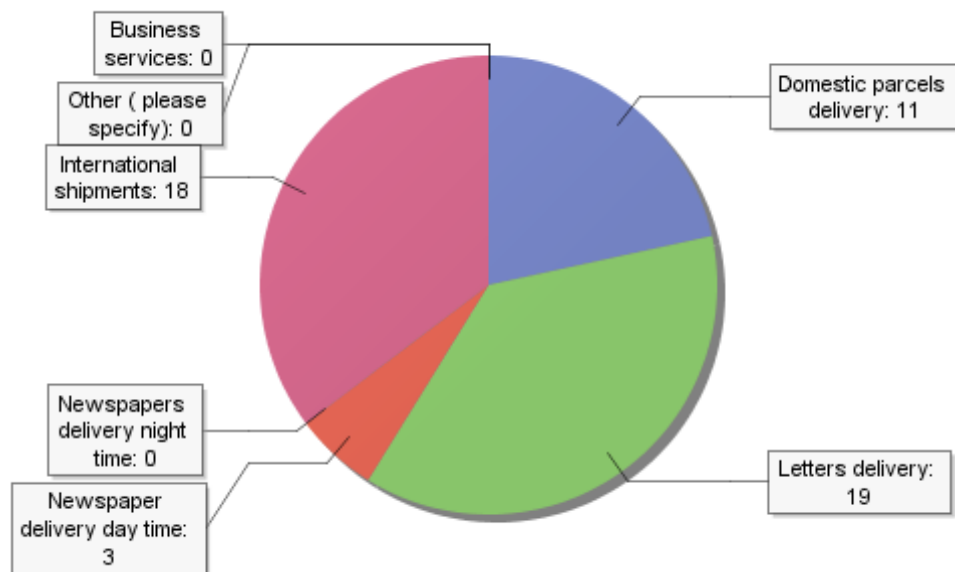
Number of respondents: 29



#### Open text answers: Other (please specify)

##### 3. Which postal services do you mostly use?

Number of respondents: 29



4. What is your most preferable parcel getting method?

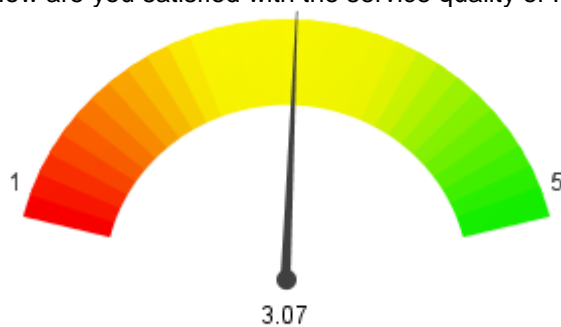
Number of respondents: 29



5. How are you satisfied with the service quality of Posti OY?

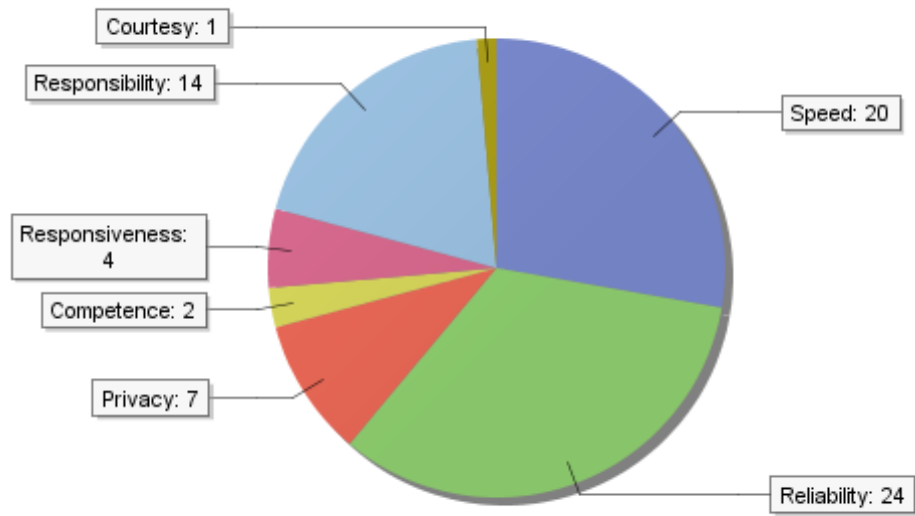
Number of respondents: 29

How are you satisfied with the service quality of Posti OY?



6. What is the most important for you in the services provision?

Number of respondents: 29



## **Appendix 4. Interview answers**

Interviews in Helsinki (Kluuvi, Kamppi, Rautatientori)

Interview Questions

### **Saara Vuorela**

Age: 35

1. Do you have any assumptions about postal service quality improvement?

No answer

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

Posti can arrange food and beverage delivery, removal of old furniture, taxi services

3. What do you think about communication relationships between Posti Oy and its customers?

It could be more satisfactory.

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

Once I had a conversation with a post deliverer regarding a complaint, he showed himself as an unprofessional employee, who does not respect customers and did not help at all.

### **Pekka Juho Jarvinen**

Age: 43

1. Do you have any assumptions about postal service quality improvement?

I think that the level of quality has fallen dramatically and now it seems that Posti is slowly dying.

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

Posti can arrange food, beverage and souvenir delivery, production of post boxes

3. What do you think about communication relationships between Posti Oy and its customers?

It is good enough

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

I have unsubscribed from Helsingin Sanomat newspaper because of the late deliveries or wrong newspaper deliveries, and sometimes the condition of the newspapers was not good (wet, torn and dirty). Therefore, I switched for the direct electronic Helsingin Sanomat subscription.

### **Jack and Jenny Stone**

Age: 28, 27 (living in Finland for 7 years)

1. Do you have any assumptions about postal service quality improvement?

It could be better if the estimated delivery time was the same as it is written when you order.

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

Our personal point of view is that Posti has to deliver only the letters and parcels, but safe and sound.

3. What do you think about communication relationships between Posti Oy and its customers?

The deliverers in Helsinki Metropolitan area are unprofessional and rude.

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

We had no problems with domestic letter and parcel deliveries, however, the international parcels come later than expected date very often and sometimes it is quite problematic to track the shipment status using the system on Posti's website.

**Michael Blomqvist**

Age: 55

1. Do you have any assumptions about postal service quality improvement?

Letters sometimes come to the wrong address, even if you moved to the new location and have already paid for the forwarding service. I think they will never improve their services because the quality of services has dropped a lot recently.

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

I would like Posti to deliver equipment and raw materials for the cafes.

3. What do you think about communication relationships between Posti Oy and its customers?

The communication is on the bottom line.

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

Ten years ago when the personnel was mostly finns and foreigners from EU and Russia, there were less communicational problems and they were professionally resolved. Nowadays when the personnel of Posti is 60% from Third World Countries, because Posti wants to cut its charges and a lot of clever professional deliverers quit their job, I face a lot of inconvenience, because they do not even try to communicate properly and politely. And once one Posti deliverer has offended me and since that moment I mostly use DHL services.

**Alexander Kuznetsov**

Age: 30 (lives in Finland for 15 years)

1. Do you have any assumptions about postal service quality improvement?

I think that Posti has been improved their services recently and still growing. All fine.

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

They could deliver food from restaurants and cafes instead of Wolt and Foodora, because they even have the keys from the houses and a massive quantity of customers throughout Finland.

3. What do you think about communication relationships between Posti Oy and its customers?

I haven't been talking to the post deliverers for the last few years since I use the Posti pakettiautomatti, which are located in S-group shops.

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

I was always satisfied.

### **Sami Suomalainen**

Age: 20

1. Do you have any assumptions about postal service quality improvement?

I suppose, they have to work faster when people order internationally. Sometimes there are delays and as being a person who always orders food for my dog from America and when the delay is, it is the worst for my pet. I understand that it is an international process and everything can happen, but if the estimated time is calculated then it must be delivered on time

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs.



The company which is well-known in Finland and is governmental could do anything they wanted from food delivery until real estate selling

3. What do you think about communication relationships between Posti Oy and its customers?

This is well enough

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

I always have some kind of experience due to I order food from America for the pet of mine and more than a half of those orders is late and when I ask a Postman for explaining the reason of it , he/she cannot answer and gives a customer support number

**Elvira Karlson**

Age: 23

1. Do you have any assumptions about postal service quality improvement?

I don't have anything in mind for now

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs.

That would be convenient if all the parcels went directly to the door and in the case if that is a pair of shoes or a dress, I could have time to try it on and then decide "return it or buy"

3. What do you think about communication relationships between Posti Oy and its customers?

I am quite satisfied, but it is not the same as it was before, worse now

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

I want to thank customer support because when I have a complaint or a question, they solve my problem immediately

**Petri Korhonen,**

Age: 75

1. Do you have any assumptions about postal service quality improvement?

I have a subscription of HelsinginSanomat since 1987 and everything was good, but now since there are foreigners and the quantity is bigger than Fins, the quality has been dropped and continues falling down

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs.

I think that they have to start making good quality as it was before and then I perhaps will think

3. What do you think about communication relationships between Posti Oy and its customers?

I am not satisfied anymore

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

Since the newspapers mostly are not delivered at all, wrong, wet, dirty or torn and sometimes there is a lack of pages, I am about to unsubscribe

**Catrina Kokkonen**

Age: 32

1. Do you have any assumptions about postal service quality improvement?

No assumptions, besides that the tracking information could be updated faster than now.

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

Postal companies could invent the electronic service, which allows its users to write a letter or telegram and also select the colorful draft of framework with adjustable font and some other details. After the user enters the recipient's address and pays, the letter or telegram gets printed and send by Posti to the addressee.

3. What do you think about communication relationships between Posti Oy and its customers?'

It is fine.

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

Most of the times I have been informed quickly about incoming shipments and letters, and faced with the lost parcel situation only once, however, this case was solved quickly and I have received the compensation for the lost goods.

### **Jerry Pasanen**

Age: 44

1. Do you have any assumptions about postal service quality improvement?

I don't know, but they could arrange more services for small businesses,

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

They could arrange some services, which will aim to help customers in dealing with the custom declarations and the solutions for international freight.

3. What do you think about communication relationships between Posti Oy and its customers?

It is average, I can't say that Posti stands out from other companies communication-wisely. They simply do their job. Nothing really to add

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

I have used Posti services for my business for many years and I must say that so far I had only minor problems, sometimes the information about some shipments was unavailable, and it took some time to reveal the current shipment status. Otherwise, it mostly has been flawless experience.

**Denis Nerman**

Age 25

1. Do you have any assumptions about postal service quality improvement?

No I honestly do not have any assumptions for their service quality improvement. I have very little experience with their services. All the mail that I have sent and packages that I have received have made it to their destinations in reasonable time with a reasonable price. As it is a service that I do not use frequently the service quality is enough for me.

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes For example: food delivery, taxi services and souvenirs.

I do not have anything that I want to add to the above mentioned service topics.

3. What do you think about communication relationships between Posti Oy and its customers?

They have a clear, understandable web site and good customer service hot-line. Which is why I would say that their communication with customers is fine.

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

I have experience in receiving and sending packages. Both good, ending up where they needed.

**Sepi Turonen**

Age: 24

1. Do you have any assumptions about postal service quality improvement?

Not sure I understood the question but they are trying desperately to keep their place in a changing environment

2. Have you got anything in mind which new services can be arranged by the postal companies? Turn on your imagination + wishes

For example: food delivery, taxi services and souvenirs

Helping households like they are doing at the moment with moving the lawns etc. maybe a courier service, getting groceries for disabled and elder people.

3. What do you think about communication relationships between Posti Oy and its customers?

I have no experience

4. If you have any experience with Posti Oy (good or bad), could you please explain it?

Negative experiences stick to minds easier, looking for packages or mail for long, and Itella name change hassle stick to mind